

Research on High Quality Development of Agricultural Insurance in Shandong Province

Jing Dong

Economics and Management Department, Shandong Agriculture and Engineering University, Jinan, China

Abstract: Agricultural insurance plays a key role in serving agriculture, rural areas and farmers, improving agricultural disaster prevention and mitigation, targeted poverty alleviation and Rural Revitalization. Shandong Province, as the largest agricultural province in China, has attached great importance to the development of agricultural insurance in recent years. It has continuously promoted the expansion of agricultural insurance, added products and raised the standard, further improved the guarantee system, played a great role in assisting the government to manage agriculture, sharing and serving agriculture, rural areas and farmers, and made remarkable achievements. This paper analyzes the current situation of high quality development of agricultural insurance in Shandong Province, which is characterized by the continuous expansion of insurance scale, the continuous expansion of insurance service field, the continuous improvement of disaster risk dispersion and risk prevention mechanism, and the further improvement of Agricultural Insurance Subsidy Insurance. Through further analysis of the existing problems in the high quality development of agricultural insurance in Shandong Province, this paper puts forward some countermeasures and suggestions for its high quality development.

Keywords: Shandong province; agriculture insurance; high quality development; rural revitalization

1. Introduction

In February 2020, Chinese government issued important instructions to the national spring agricultural production work and emphasized that the more risks and challenges we face, the more we must stabilize agriculture. Agricultural insurance has played a key role as an escort tool in serving "agriculture, rural areas, and farmers", improving agricultural disaster prevention and mitigation, targeted poverty alleviation, and implementing rural revitalization. During the implementation of the rural revitalization strategy, agricultural insurance has initially shown the function of agricultural economic compensation and insurance redistribution in our country, and has made important contributions to the adjustment of agricultural structure, sustainable development, and financial system construction. My country's agricultural insurance has played a huge role in assisting the government in

managing agricultural sharing and serving the "three rural areas", and has achieved remarkable results [1].

With the advancement of agricultural modernization and the implementation of the rural revitalization strategy, agricultural insurance, as a "stabilizer" of agricultural production, has attracted more and more attention and has been widely discussed and studied. Chinese scholars' academic research on agricultural insurance has roughly gone through the following four stages with its actual development in my country, and the research focus of each stage is not the same: the first stage, the trial, and contraction and rectification stage of agricultural insurance (1934-1982). During this period, agricultural insurance experienced initial attempts, failures and later stages of trial implementation. Scholars' research during this period mainly focused on the discussion of the attributes of agricultural insurance policy and its organizational form. The second stage is the recovery and experimental stage of agricultural insurance (1983-2006). At this stage, my country's agricultural insurance is in a period of recovery, wandering and shrinking. After China joined the WTO, agricultural insurance as a "green box" policy tool has almost ceased in China. This phenomenon has aroused the attention of scholars and triggered calls for the government to attach great importance to agricultural insurance. During this period, scholars learned from the successful experience of the United States, Japan and other countries, and mainly discussed the establishment of systems and policy subsidies. The third stage is the rapid development stage of the reform and development of agricultural insurance (2007-2018). At this stage, Chinese scholars discussed how to develop agricultural insurance mainly from the perspectives of government policies, insurance systems, insurance protection levels, insurance product development, and service system construction. The fourth stage: the high-quality development stage of agricultural insurance (2019-), on October 12, 2019, the Ministry of Finance, the Ministry of Agriculture and Rural Affairs, the Insurance Regulatory Commission, and the Bureau of Forestry and Grass issued the "Guiding Opinions on Accelerating the High-quality Development of Agricultural Insurance", Marking that my country's agricultural insurance has entered a critical period of high-quality development after 12 years of rapid development. After entering the new era, scholars have also started to discuss how to promote agricultural insurance under the category of "high-quality

development". Tuo Guozhu (2019) proposed the need to further regulate the government's behavior in agricultural insurance [2]. Feng Wenli (2019) pointed out that my country urgently needs to establish a unified agricultural insurance management agency [3].

2. The Present Status of Agricultural Insurance Development in Shandong Province

2.1. The Scale of Agricultural Insurance Continues to Expand

Shandong Province, as the largest agricultural province in my country, has attached great importance to the development of agricultural insurance in recent years, has continuously promoted the expansion of agricultural insurance, increased products, and improved standards, further improved the guarantee system, and actively promoted social capital to enter the agricultural field. According to statistics from the Shandong Provincial Bureau of Statistics, in 2019, Shandong agricultural insurance premium income reached 2.82 billion yuan, a year-on-year increase of 19.6%, providing 77.24 billion yuan of risk protection for 17.614 million sub-farmers. The number of provincial subsidized insurance types in Shandong Province reached 44 in 2019, and it continued to explore new models such as "insurance + credit", "insurance + futures", etc., and continued to promote innovative pilot projects for index and income insurance. In addition, the number of pilot counties for catastrophe insurance has also increased from 20 to 50. From the perspective of insurance density, Shandong Province is still lower than the national level for a long time. In 2018, the insurance coverage rate of the three major food crops in Shandong Province was 75%, and the insurance density was 153.71 yuan per person, which was lower than the national average of 132.29 yuan per person. The insurance depth is also 0.35% lower than the national average. In 2020, the Department of Finance of Shandong Province, in conjunction with the Department of Agriculture and Rural Affairs of Shandong Province, issued the "Implementation Opinions on Accelerating the High-Quality Development of Agricultural Insurance in Shandong Province", proposing that by 2022, the insurance coverage rate of the three major food crops will reach 80%, The insurance depth reaches 1%, and the insurance density reaches 500 yuan/person. Shandong Agricultural Insurance has made great progress in the past ten years, and the scale of insurance premiums has also achieved a certain scale increase, but there is still a certain gap compared with the status of Shandong's agricultural province, and there is a long way to go to achieve high-quality development.

2.2. The Service Field of Agricultural Insurance Continues to Expand, and the Risk Dispersion and Risk Prevention Mechanism of Major Disasters Continue to Improve

Shandong Province has initially established an agricultural insurance product system consisting of financial subsidies for basic insurance, commercial

insurance and additional insurance. The government and insurance wages actively promote a variety of insurance products such as seed production insurance, index insurance, regional output insurance and agricultural insurance. At present, agricultural insurance is being incorporated into the agricultural disaster accident prevention and assistance system, and it plays an important role in multiple stages such as pre-event risk prevention, mid-event risk control, and post-event claim settlement services. At present, Shandong Province is actively promoting the linkage and cooperation mechanism between insurance institutions and the meteorological, agricultural and rural, and forestry departments. In order to improve the accuracy of policy subsidies and further strengthen the supervision of agricultural insurance, the Department of Agriculture and Rural Affairs of Shandong Province adjusted the agricultural insurance underwriting institutions in 2019, and usually determines the underwriting institutions and business service areas through municipal and county bidding.

2.3. The Types of Agricultural Insurance Subsidies were Further Increased, and the Proportion Continued to Increase

Compared with major agricultural provinces such as Heilongjiang and Henan, Shandong Province has the highest provincial subsidy varieties, and they are concentrated in sunlight greenhouses and fruits. Starting from 2018, all premiums for public welfare forests will also be borne by the provincial finance. The implementation of differentiated financial subsidies according to different regional economic conditions is also a move that Shandong Province is better than other provinces. In 2019, Shandong Province introduced an innovative policy of subsidizing local advantageous agricultural products with rewards. For local advantageous agricultural products, subsidies will be awarded at 50%-60% of the local fiscal premium subsidies. At present, the insurance of local advantageous and characteristic agricultural products has reached 46 types of insurance, and covers 83 counties (cities, districts). According to the agricultural characteristics of Shandong Province, a number of target price insurances for characteristic agricultural products such as live pigs, garlic, and potatoes have been opened, providing farmers with risk protection of nearly 20 billion yuan.

The coverage of agricultural insurance subsidies in Shandong Province from a single species to multiple species in the past ten years reflects the importance attached by the Shandong Provincial Party Committee and the Provincial Government to agriculture and protects the vital interests of farmers in Shandong Province.

3. Problems in the High Quality Development of Agricultural Insurance in Shandong Province

3.1. The Level of Agricultural Insurance needs to be Further Improved

The insurance coverage for wheat and corn in Shandong Province has been increased to 450 and 400 yuan, which effectively protects the direct materialized costs. However, due to the influence of the financial resources of governments at all levels, the protection that farmers can enjoy is not enough to meet their needs. Farmers generally report that the current level of protection is not high and the varieties still need to be improved. The risk protection needs of large-scale business households such as new agricultural business entities or large grain growers cannot be better met. The number of pilot counties for agricultural catastrophe insurance and full-cost insurance is not enough. Part of the market's demand for agricultural insurance cannot actually be effectively met. About half of the counties that produce large-scale production have not yet enjoyed the policies.

3.2. The Subsidy of Agricultural Insurance Premium is not Balanced among Cities

Although Shandong Province currently implements differentiated subsidies based on regional economic conditions, the current agricultural development, insurance requirements, and climate and terrain conditions in each region are different, and the premium subsidy standards cannot be completely fair. Like other provinces in my country, Shandong Province also has obvious regional inequities. The grass-roots governments have also responded to the excessive pressure on expenditures in counties with high yields and poor counties, and there is still a certain gap between meeting the "wish to protect everything".

3.3. It is Difficult for Insurance Institutions to Collect Self-paid Premium and the Service of Agricultural Insurance is Insufficient

Due to the impact of farmers' awareness of insurance products, regional dispersion, and production seasonality, agricultural insurance underwriting and claim settlement costs are relatively high. In actual work, many insurance institutions have a situation in which premiums are collected or even unable to meet the normal operating expenses of the institutions. The promotion of agricultural insurance mainly relies on the administrative promotion of government departments, and there are still phenomena such as false underwriting and false claims. It is also very common for insurance institutions to have a large number of "premiums receivable".

In addition, the lack of willingness of farmers to apply for insurance is also affected by the lack of professionalism of the service personnel of insurance institutions. Farmers cannot fully understand the significance, scope and operating mechanism of agricultural insurance.

3.4. There is Still a Certain Distance to Build a Multi-level Agricultural Insurance High-quality Development System

First of all, the scientific and technological information support platform has not yet been established. At present,

there are still "information islands" in the agricultural insurance data of the municipal and county governments. It is necessary to further promote the sharing of relevant data and information resources such as finance, business supervisors, insurance supervision and other departments, as well as insurance institutions for insurance, claims settlement, etc., to achieve interconnection, sharing and sharing, and to promote the quality and efficiency and high-quality development of agricultural insurance.

4. Suggestions

4.1. Further Improve the Position of Agricultural Insurance in the Agricultural Assistance Policy and Optimize the Subsidy Mechanism

China has a short history of implementing agricultural insurance subsidy policies, and there is still a long way to go to reach the level of developed countries. The Chinese government pointed out that it is necessary to "ensure the security of food supply and keep the Chinese people's rice bowl firmly in their own hands." For Shandong Province, a major agricultural province, clarifying the status of agricultural insurance, expanding insurance coverage, and raising security standards are important means to protect the fundamental interests of farmers.

The method, amount and distribution of financial subsidies for agricultural insurance require the government to issue relevant policies to treat different types of insurance in different regions according to the actual situation, and try to avoid a one-size-fits-all situation

4.2. Improve the Professional Ability of Agricultural Insurance Staff

First of all, we should strengthen the training of agricultural insurance staff. The training content covers political theory and business knowledge, which effectively improves the comprehensive quality of statisticians. Secondly, we should build a statistics team with strong professional ability and high professional level, pay attention to improving the statistical professional knowledge of the staff, and strive to achieve "one specialty and multiple abilities". We will strengthen work discussion and exchange, and all professionals will impart experience in combination with the actual work, highlighting the key points and difficulties of the work.

4.3. Improving the Information Sharing Mechanism Related to Agricultural Insurance

With the application of "Internet+", "big data", and "artificial intelligence" technologies in statistics, it is particularly important to use science and technology to promote the development of agricultural insurance statistics, insurance, and claims [4]. The Department of Agriculture and Rural Affairs of Shandong Province, the Shandong Meteorological Bureau, and the Shandong Provincial Bureau of Statistics have established a cooperation mechanism to realize the linkage and integration of cloud computing, big data and insurance agency business by improving the statistical information

management platform. Data processing systems and procedures can be designed by information processing experts to lower the threshold for data reporting and reduce the pressure on staff.

4.4. Promoting Scientific and Technological Innovation of Agricultural Insurance Products

With the advancement of agricultural modernization, insurance institutions need to fully understand the needs of farmers and innovate agricultural insurance products. For the pilot of "insurance + futures" income insurance and other new insurance [5], we should go out of the pilot stage and enter the stage of further promotion. At present, the pilot has the disadvantages of small scope and limited scale, which need to be operated in a larger scope and cycle. In the process of designing agricultural insurance products, we should pay attention to respect the market rules, ensure the sustainable development of the pilot, and form a number of products and service models that can be copied and promoted.

5. Conclusion

Through the research, this paper finds that there are the following problems in the development process of agricultural insurance in Shandong Province: first, the level of agricultural insurance needs to be further improved; second, the subsidy of agricultural insurance premium is not balanced among cities; third, it is difficult for insurance institutions to collect self-paid premium, and the agricultural insurance service is insufficient; fourth, there is still a long way to go to build a high-quality development system of multi-level agricultural insurance. Set the distance. In view of the above four problems, this paper also puts forward the following four

suggestions: first, further enhance the status of agricultural insurance in the policy of assisting agriculture and optimize the subsidy mechanism; second, improve the professional ability of grass-roots agricultural insurance staff; third, improve the information sharing mechanism of agricultural insurance; fourth, promote the scientific and technological innovation of agricultural insurance products.

Acknowledgment

This work was supported in part by a grant from Shandong Federation of social sciences project: Interpretation and popularization of agricultural insurance knowledge under the background of Rural Revitalization Strategy (2020-SKZZ-70).

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